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May 18, 2017

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Notice of *Ex Parte* Presentation in CC Docket No. 16-363
Petition of AT&T Services, Inc. for Forbearance Under 47 U.S.C. §160(c) from
Enforcement of Certain Rules for Switched Access Services and Toll Free Database
Dip Charges**

Dear Ms. Dortch:

On May 16, 2017, South Dakota Network, LLC (SDN) met with Pam Arluk, William Kehoe, Gil Strobel, Gregory Capobianco, Douglas Slotten, Edward Krachmer, Irina Asoskov and, by telephone, Victoria Goldberg of the Wireline Competition Bureau, Pricing Policy Division, to discuss AT&T's petition for forbearance in the above-referenced docket. Mark Shlanta, CEO of SDN, Ben Dickens and the undersigned attended the meeting and Nancy Johnson, VP Legal, participated by telephone, for SDN.

In the meeting, SDN discussed the comments and reply comments it filed on December 2, 2016 and December 19, 2016, respectively, in the proceeding. SDN argued that the Commission should deny AT&T's petition for forbearance in connection with SDN's centralized equal access (CEA) service because it is not in the public interest. SDN stated that for carriers with low volumes of traffic SDN's tariffed CEA service continues to be an efficient and effective mechanism to reach rural local exchange carriers in South Dakota. Further, if SDN was unable to bill for service via its tariff, it would have to try to identify and enter into an agreement with every IXC throughout the nation and be faced with the prospect of receiving traffic from IXCs for which it has no billing mechanism in place.

SDN also argued that AT&T's proposal is not necessary to address the issue AT&T identified namely, certain CLECs engaged in access stimulation refuse to allow direct trunking from the IXC to the CLEC's end office. SDN urged the Commission to make clear, as it indicated in its 2008 Access Charge Reform Order, that CLECs engaged in access stimulation cannot refuse to allow direct trunking from the IXC to the CLEC's end office.¹ SDN believes this would not undercut its Section 214 authority as a CEA provider because none of its member ILEC companies are engaged in access stimulation and the only CLEC engaged in access stimulation is not a member of SDN. Further, SDN believes this is in line with the purpose of establishing it as a CEA provider, which was to provide equal access functions and to bring the benefit of equal access to rural areas with low volumes of traffic. Large volumes of terminating traffic, which is the hallmark of an access stimulator, is not in line with CEA's purpose.

SDN argued that the FCC could find that in the case of traffic that terminates to an access stimulator, a CEA provider would be required to charge a switched access rate benchmarked to the rates of the price cap LEC with the lowest interstate switched access rates in the state. For traffic terminating to LECs that are not engaged in access stimulation, a CEA provider would continue to charge its traditional tariffed switched access rate. SDN believes this proposal is in line with the Commission's pricing rules for access stimulators. In addition, SDN believes it would be able to implement such a dual pricing scheme and it should not affect any other SDN rates, which are capped.

SDN also argued that CEA providers may provide service pursuant to contract. The Commission should reaffirm that CEA providers are not precluded from providing non-CEA services via contract. SDN believes that the Commission's Part 69 rules are sufficient for this purpose.

Finally, SDN discussed a recent ex parte filing by AT&T, in which AT&T claims there is "mileage pumping" in connection with traffic that traverses the SDN switch in South Dakota. SDN explained that AT&T's allegation of mileage pumping, as that term is commonly understood, is not correct in connection with traffic traversing the SDN switch because there has been no change in the point of interconnection for traffic to or from interexchange carriers that would increase transport charges.

¹ *In re Access Charge Reform*, 23 FCC Rcd 2556, at 2565 and n. 94 (2008).

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Mary J. Sisak

cc: Pam Arluk
Victoria Goldberg
William Kehoe
Gil Strobel
Gregory Capobianco
Douglas Slotten
Edward Krachmer
Irina Asoskov